

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. RAMSTAD) is recognized for 5 minutes.

(Mr. RAMSTAD addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. COYNE) is recognized for 5 minutes.

(Mr. COYNE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

INTRODUCTION OF THE CAPITAL GAINS TAX SIMPLIFICATION ACT OF 1998

Mr. COYNE. Mr. Speaker, I rise today to introduce the "Capital Gains Tax Simplification Act of 1998." This legislation would simplify the computation of capital gains taxes for all individual taxpayers. The bill would also provide modest capital gains tax reductions for millions of Americans.

I am sure that many of you have received complaints from a number of your constituents about the overly complex capital gains form—Schedule D—that they have to fill out as part of their 1997 Federal income tax returns. Their complaints are justified. Schedule D is long and complex—and it is very easy to make a mistake in filling out this form. Moreover, if nothing is done to fix this problem, Schedule D will get even more complex and burdensome in the coming years. The Capital Gains Tax Simplification Act of 1998 would solve the capital gains complexity problem once and for all.

The capital gains treatment provided in the Capital Gains Tax Simplification Act of 1998 is so simple that the substance of the bill can be stated in one short, easily understandable sentence: "If for any taxable year a taxpayer other than a corporation has a net capital gain, 40 percent of such gain shall be a deduction from gross income." In contrast, the Technical Corrections Act that passed the House last year contained 12 pages of detailed statutory language to describe the current complicated scheme for taxation of capital gains.

The time is long overdue for Congress to begin simplifying our tax laws. The capital gains provisions are a good place to start. The current capital gains schedule and the underlying rules for taxation of capital gains are unnecessarily complex. Regardless of one's views about capital gains taxes, I think that most of us would agree that a revenue-neutral simplification of the capital gains tax provisions is much-needed.

Current law imposes a significant burden on taxpayers who have capital gains. The IRS estimates that a typical taxpayer with a capital gain will spend 5 hours and 20 minutes filling out his or her capital gains tax form. This is

two hours more than in 1994. Moreover, the chances of making an effort in filling out this complicated, 54-line form are fairly high.

As a member of the National Commission on Restructuring the Internal Revenue Service, I supported the Commission's recommendation to pursue simplification at every possible opportunity. As the Ranking Member on the Ways and Means Oversight Subcommittee, I am well aware of the need for tax simplification. We need to make the tax code less complex—and less burdensome—for the American taxpayer. The Capital Gains Tax Simplification Act of 1998 would go a long way toward meeting that goal.

This bill embodies simplification in the clearest and strongest sense of the word. The bill would replace a lengthy, complex provision with a simple, equitable solution. It would shorten and simplify the tax code, and—more importantly—it would shorten and simplify the process that millions of taxpayers must go through when filing out their annual income tax returns.

Now is the time to act, not next year or the next. Last year, in the House-passed IRS restructuring bill (H.R. 2676), the House and the Ways and Means Committee supported the IRS Restructuring Commission's view that the tax laws should be simplified wherever, and however, possible. My bill would do exactly that.

The IRS restructuring bill would also mandate that, for tax legislation considered by the tax-writing committees after January 1, 1998, a "tax complexity analysis" be provided by the Joint Committee on Taxation to ensure that tax provisions brought before the Congress enhance simplification and eliminate complexity. Had this "tax complexity analysis" law been in effect during consideration of the 1997 Taxpayer Relief Act, the capital gains provisions in that bill would have failed the test miserably. I believe that, in contrast, a "tax complexity analysis" of my bill would be extraordinarily positive. How could it be otherwise, when my bill would eliminate the requirement to fill out Schedule D for most capital gains recipients and replace it with a single line on the 1040 form?

What happened to make the current-law calculation of capital gains taxes so complex? The answer is simple. The 1997 taxpayer Relief Act created a confusing array of capital gains tax rates. As a result, the law provides for five different rates that can apply to the capital gains of an individual—10 percent, 15 percent, 20 percent, 25 percent, and 28 percent. I have attached a copy of the new 1997 capital gains tax computation schedule—Schedule D—to my statement to demonstrate the capital gains tax provisions' extraordinary complexity.

An additional tax rate category is scheduled to take effect in the year 2001, and another tax rate category will take effect in 2006. The forms required

to accommodate these additional rate categories will add significant additional complexity to the filing process for millions of taxpayers. After those provisions take effect, the 1997 Schedule D will look simple in comparison. Moreover, under current law, a growing number of taxpayers will have to fill out the capital gains form twice in the coming years—once for the regular tax, and once for the alternative minimum tax. If you think tax filers are angry and frustrated now, just wait a few years.

The worst aspect of current law is that its complexity falls hardest on low- and moderate-income taxpayers whose only capital investments are in mutual funds. They aren't wealthy people; they don't have their own accountants. They are the people who usually fill out their tax returns themselves. And they have to fill out that confusing, error-prone Schedule D themselves. Under the bill I am introducing today, those taxpayers would not have to fill out a separate capital gains tax form at all. They would simply include 60 percent of their total capital gains distributions on the appropriate line of their tax returns. Taxpayers with other sources of capital gains would still have to report these gains on Schedule D or its equivalent, but even they would no longer have to complete the roughly 35 lines of calculations on page 2 of Schedule D to figure out their taxes; they would simply figure out their net capital gains using Schedule D and then include 60 percent of that amount on the appropriate line of their tax return.

It has been said in recent days that much of the complexity associated with the capital gains tax could be eliminated by eliminating the new 18-month holding period requirement. This is just not true. Simply repealing the 18-month holding period requirement would not eliminate any part of the current complex capital gains schedule. The only way to get true simplification of the capital gains provisions enacted last year is to enact a simplification proposal like the one in my bill—that is, to provide a one-year holding period requirement for all capital assets, and to permit depreciation recapture gains on real estate to receive the full benefit of the capital gains tax reduction.

It is my understanding that the bill would be revenue neutral. The bill's simple 40-percent exclusion for capital gains can be substituted for the confusing array of capital gains tax rates under current law at no cost to the Federal Government. As I mentioned earlier, simplifying the computation of capital gains taxes for all individual taxpayers along these lines would also provide modest capital gains tax reductions for nearly all individuals with capital gains income. I have attached a chart which shows the impact of my legislation on the capital gains tax rates that individuals would pay. Most capital gains filers—over 11 million

households—would see their capital gains rates drop by several percentage points. The bill is expected to impose modest capital gains tax increases on some of the 1½ million wealthiest taxpayers in the country—those households with incomes of more than \$200,000 per year—but it is my under-

standing that even many of these taxpayers would receive modest tax reductions under this bill. This is not a big price to pay for eliminating some of the extraordinary complexity from the tax code.

Many of my Democratic colleagues on the Ways and Means Committee—

including Representatives RANGEL, STARK, MATSUI, KENNELLY, McDERMOTT, LEWIS, NEAL, and BECERRA—are original cosponsors of this legislation. I urge my other colleagues to join me in cosponsoring this capital gains simplification bill.

CHANGES IN CAPITAL GAINS TAX RATES UNDER THE CAPITAL GAIN TAX SIMPLIFICATION ACT OF 1998

Rate bracket (Number of taxpayers in bracket)	Rate under current law			Rate under proposed legislation
	Assets held more than 18 months and not collectibles or recapture gain	Real estate depreciation recapture gain	Collectibles and assets held at least 12 months but less than 18 months	All capital assets held more than 12 months
15 percent (61.58 million)	10	15	15	9.0
28 percent (24.0 million)	20	25	28	16.8
31 percent (2.3 million)	20	25	28	18.6
36 percent (1.0 million)	20	25	28	21.6
39.6 percent (0.5 million)	20	25	28	23.8

More than 100 million individual tax returns are filed each year. Of those 100 million returns, 14 million include capital gains income. Under this legislation: approximately 11.3 million of those individual filers with capital gains would get a tax reduction, approximately 2 million would see essentially no change in their taxes, and approximately 700,000 of those filers—filers with incomes over \$200,000—would see modest increases.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. TIAHRT) is recognized for 5 minutes.

(Mr. TIAHRT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BONIOR) is recognized for 5 minutes.

(Mr. BONIOR addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nevada (Mr. GIBBONS) is recognized for 5 minutes.

(Mr. GIBBONS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

THE WORLD LOST A GREAT LEADER ON THE PASSING OF BELLA ABZUG

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MALONEY) is recognized for 5 minutes.

Mrs. MALONEY of New York. Mr. Speaker, yesterday, on the last day of Women's History Month, the world lost a great leader in Bella Abzug. Tears are being shed today, not just in the United States but around the world, because Bella's vision was not confined to one issue or to one nation.

Bella Abzug was the original feminist, an icon in the women's movement here and around the world. But she worked for more than a constituency or an interest group, or even a movement. She will be remembered for her hats but, more importantly, for what was under her hat: her brains, her voice, and her heart.

I am deeply indebted to Bella, and I know many women who feel the same way. I also know that there are women today who may not feel that Bella's loss has any connection to them. But I

want to remind them about the rights Bella fought for and won on their behalf, rights so many of us now take for granted, or forget that women ever had to fight for them in the first place.

Make no mistake, there is not an American woman alive who does not have more rights, commands more respect, or enjoys more opportunity as a result of Bella's work. Because of Bella Abzug, women today stand a little taller, walk a little prouder, and accept nothing less than they deserve.

Bella broke through barriers, shattered glass ceilings, and woke people up. Even in her final years, when she was confined to a wheelchair, no woman stood taller in the fight for women's rights than Bella Abzug. Bella was a pioneer in so many forums: as a legislator, peace activist, labor lawyer, lecturer, news commentator, civil liberties advocate, and the first person to be elected to Congress on a platform of women's rights and peace.

She cofounded the National Women's Political Caucus, coauthored the Freedom of Information and Privacy Acts, cast one of the first votes for the Equal Rights Amendment, presided over the Women's Congress for a Healthy Planet, and cofounded the Women's Environment and Development Organization.

But the whole of Bella's life was much more than the considerable sum of its parts. She was a historical figure in the women's movement, a cultural icon who transcended politics and policy. Bella did not just change the law, she changed how people thought, how they looked at the world, and how they lived their lives. She was a firebrand orator, a consummate organizer, and a living symbol of the limitless potential of what women can do.

Bella was motivated by a sense of outrage about the rampant inequality between men and women that still exists today. She took this outrage to her grave.

I know if Bella were alive today she would be telling us not to mourn, but to organize and to mobilize. Bella said just last year, we are building a wom-

en's movement, and we have been making it larger and larger. It is worldwide. It is where it has never been before.

Bella's effort to connect with younger women and to create a worldwide movement for women's rights has ensured the women's movement will continue well into the next millennium. It is my responsibility, the responsibility of other women in Congress, and the women of this Nation to keep that spirit alive.

As Bella herself said, women will change the nature of power, rather than power changing the nature of women.

A TRUE DIALOGUE ON TAX CUTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentlewoman from Connecticut (Ms. DELAURO) is recognized for half of the time until midnight, approximately 21 minutes after 11 p.m., as the designee of the minority leader.

Ms. DELAURO. Mr. Speaker, last week we were here on the floor of the House talking about the extreme tax proposals being offered by our Republican colleagues and the Democrats' record of providing tax relief to middle-class families.

Unfortunately, the CONGRESSIONAL RECORD incorrectly recorded my words. Here is what I said: "We shouldn't let Republicans get away with saying that Democrats are against tax cuts." It appeared in the CONGRESSIONAL RECORD that I said Democrats were against tax cuts. That is an error, and it has been corrected in the CONGRESSIONAL RECORD.

I know this was an innocent mistake on the part of the recordkeepers, and I want to say that I have the greatest respect for all of their hard work and the long hours, especially during Special Orders like this one. But the recorders are human, and in this case, the way my words were recorded changed the meaning of what I said to mean the exact opposite.